Harris R. Anthony
General Attorney

ATTACHMENT B

BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375-0001
Telephone: 404-335-0789
Facsimile: 404-614-4054

September 11, 1997

Jonathan E. Canis
Kelley Drye & Warren
1200 19th Street, N.W.
Suite 1500
Washington, D.C. 20036

Re: Reciprocal Compensation For ISP Traffic

Dear Mr. Canis:

This is in response to your September 2, 1997 letter to Mr. Jere A. Drummond. In your letter, you express your disagreement with Mr. Bush's letter of August 12, 1997 wherein he brought to the attention of local carriers that the reciprocal compensation provisions of BellSouth's interconnection agreements apply only to local traffic. Accordingly, traffic being delivered to internet service providers (ISPs), which is jurisdictionally interstate, is not eligible for reciprocal compensation.

Your letter contains several observations which you believe create an obligation on the part of BellSouth to pay mutual compensation for ISP traffic. As discussed below, Intermedia is mistaken as to the jurisdictional nature of the ISP traffic. Likewise, your statements that BellSouth may be violating certain provisions of the Communications Act are unfounded.

Contrary to your apparent belief, there is no basis in fact or law that would support your position that ISP traffic is intrastate, let alone "local" for reciprocal compensation purposes. It is well established that whether a communication is interstate and, thus, within the exclusive jurisdiction of the FCC depends on the end-to-end nature of the communication itself. ISP traffic does not terminate on Intermedia's local facilities. Rather, the traffic traverses these facilities as well as those of the ISP and the internet transport provider(s) to establish a communications path to distant internet destination(s). The communication terminates at the distant internet site. Internet end-to-end communication paths are typically interstate in nature because they not only cross state boundaries but often national boundaries as well. Even in the instances where the distant internet site is within the same state as the originating end of the communication, the dynamic aspects of internet communications make such communications inseverable from the interstate traffic. Under existing case law, such traffic must also be considered interstate.

Further, the FCC has already exercised its jurisdiction over internet traffic. The Commission's grant of an exemption from the payment of interstate access charges to enhanced service providers must necessarily be based upon fact that by definition such traffic was interstate in the first instance. Otherwise, the Commission would not have had the jurisdiction to grant an exemption. A fact often lost is that the access charge exemption affects the rate an incumbent LEC may charge an ISP, not the jurisdictional nature of the ISP traffic. The access charge exemption is a transitional mechanism that was prescribed by the Commission to avoid significant economic dislocation in the then nascent enhanced services market. Nothing in the creation of the access charge exemption altered the jurisdictional nature of the end-to-end communications. The traffic remains jurisdictionally interstate. Be advised, however, that the FCC's access charge exemption for ISPs is directed only to incumbent LECs. Intermedia, as a competitive local exchange carrier, is free to charge appropriate access rates in order to compensate it fully for any services it provides to ISPs.

In its Local Interconnection Order, the FCC made it abundantly clear that reciprocal compensation rules only apply to traffic that originates and terminates within a local area. The rules do not apply to non-local traffic, such as ISP or other interstate interexchange traffic, none of which terminates in the local area.

Your letter incorrectly contends that if ISP traffic is interstate, such a jurisdictional determination would compel a finding that BellSouth, through its BellSouth.net subsidiary, is engaged in the provision of interLATA services in violation of Section 271 of the Communications Act. BellSouth merely provides a gateway to the internet. It does not provide any of the interLATA internet transport. Such transport is provided by non-affiliated interLATA carriers. Thus, BellSouth's internet gateway is not unlike the interstate access services BellSouth provides for interLATA voice communications, except that the internet gateway is an enhanced service. While the end-to-end communication may be interLATA, the access components of that communication are not.

Similarly without merit is the assertion that BellSouth, in not paying reciprocal compensation for interstate ISP traffic, may run afoul of the Customer Proprietary Network Provisions in Section 222 of the Communications Act. Even assuming *arguendo* that customer network proprietary information were involved, nothing in Section 222 would prevent BellSouth from rendering proper bills for its services including the determination of amounts to exclude from the payment of reciprocal compensation.

BellSouth is fully meeting its obligations under the Communications Act and the interconnection agreements it has negotiated. To the extent, however, that Intermedia has a dispute with regard to the interconnection agreement, Intermedia is free to seek resolution of the dispute before the appropriate state regulatory body.

Very truly yours,

cc: Ernest Bush

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

ATTACHMENT C

In the Matter of	)	
	)	
Application of BellSouth Corporation	)	
to Provide In-Region, InterLATA	)	Docket No.________________
Long Distance Services Under	)	
Section 271 of the Telecommunications	)	
Act of 1996	)	

AFFIDAVIT OF STEVEN D. MOSES
ON BEHALF OF ITC DELTACOM, INC.

I, Steven D. Moses, being of lawful age and duly sworn upon my oath, depose and state:

1. My name is Steven D. Moses. I am Senior Vice President of Network Services for ITC DeltaCom, Inc. ("DeltaCom"), and my business address is 206 West 9th Street, West Point, Georgia 31833.

2. I hold a Bachelor of Science degree in Physics from Auburn University. My responsibilities with DeltaCom include management and oversight for all network planning, implementation and operation. I joined ITC Holding Company, Inc. (Interstate Telephone Company and Valley Telephone company, both local exchange carriers operating in Georgia and Alabama, respectively) in 1991, as Vice President-Network Planning. I was a major participant in the development and start-up of Interstate FiberNet ("IFN"), a facilities-based interexchange carrier, and was recently appointed Vice President and Chief Operations Officer of IFN. Prior to joining ITC Holding Company, Inc., I was co-founder and co-owner of my own interconnection business in 1978, and later became a long-distance reseller in 1982. From 1986-1991, I held various management roles in network planning, technology planning and deployment, network optimization, provisioning and network administration for switched and transport networks with SouthernNet (Telecom*USA) and MCI.

3. DeltaCom has previously applied for and obtained authority from the South Carolina Public Service Commission ("SCPSC")to provide competitive local exchange services. In January 1997, the SCPSC granted DeltaCom a Certificate of Public Convenience and Necessity to provide alternative local exchange telecommunications services. Subsequently, DeltaCom filed its local service tariff for both business and residential subscribers, which, at the request of the SCPSC Staff, was backdated to the date of local carrier certification.

4. The purpose of my Affidavit is, first, to describe to the Federal Communications Commission (the "FCC") how BellSouth Telecommunications, Inc. ("BellSouth"), has failed to meet the requirements of § 251 and § 271 of the 1996 Telecommunications Act (the "Act") based on DeltaCom's recent experiences in testing and providing local resale services. Second, I will demonstrate that DeltaCom has been and is making a reasonable effort to serve both residential and business local exchange customers in South Carolina through its proprietary business plans and that, once BellSouth complies with the fourteen (14) point checklist of the Act and is otherwise in compliance with its provisions, DeltaCom, either by itself or in conjunction with one or more affiliates, intends to provide facilities-based residential and business services on a widespread basis in South Carolina.

I.

BELLSOUTH NONCOMPLIANCE WITH THE ACT

5. In this portion of my affidavit, I will describe DeltaCom's experience with BellSouth in connection with the following competitive checklist items: (i) Operation Support Systems ("OSS"); (ii) NXXs; (iii) 911; (iv) mutual compensation; (v) dialing parity; and (vi) unbundled loops. BellSouth OSS and other facilities necessary for checklist compliance are offered to DeltaCom and other ALECs on a region-wide basis. Therefore, DeltaCom's experiences in BellSouth States other than South Carolina are relevant to this inquiry.

6. OSS consists of those computerized and automated systems, including related business processes, that ensure a telecommunications carrier can meet the customer's needs. OSS includes the functions of pre-ordering, ordering, installation, repair and maintenance, and billing. BellSouth has developed these systems such that customer service representatives have immediate access to all information necessary to respond to customer inquiries regarding prices, bills, and even the status of repair calls.

In order for an Alternative Local Exchange Company ("ALEC") to have a meaningful opportunity to compete and thereby ensure that local competition becomes a reality, ALECs must have non-discriminatory access to the OSS functions. In fact, the U.S. Department of Justice ("DOJ"), in its Evaluation dated May 16, 1997, in the SBC-Oklahoma Section 271 case (CC Docket No. 97-121) ("DOJ Evaluation") at page 27 stated:

> The Department will evaluate (1) the functions BOCs make available; and, (2) the likelihood that such systems will fail under significant commercial usage. Overall, the Department will consider whether a BOC has made resale services and unbundled elements, as well as other checklist items, practicably available by providing them via wholesale support processes that (1) provide

> needed functionality; and (2) operate in a reliable, nondiscriminatory manner that provides entrants a meaningful opportunity to compete.

At a minimum, BellSouth must provide parity to ALECs with regard to scope of information available, accuracy of information supplied, and the timeliness of communications.

7. FCC 96-3215 (Docket No. 96-98), paragraph 391, accompanying footnote 1273 state that an incumbent LEC "must provide nondiscriminatory access to their operations support systems functions for **pre-ordering, ordering, provisioning, maintenance and repair, and billing** available to the LEC itself.[1] Obviously an incumbent LEC that provisions network resources electronically does not discharge its obligation under section 251(c)(3) by offering competing providers access that involves human intervention, such as facsimile-based ordering."[2] [Emphasis added].

I suggest that the benchmark for determining whether BellSouth has implemented OSS systems that meet the competitive checklist and provide nondiscriminatory access depends upon the answers to two questions: (1) Are the interfaces that BellSouth uses to communicate with ALECs adequate to fulfill competitive needs? (2) has there been sufficient experience with the interface and associated systems ensuring that these systems will work as promised?

The DOJ Evaluation at page 29, noted:

> "In determining whether a BOC's wholesale support processes can provide the necessary functionality, the Department will review internal testing by a BOC as substantially less persuasive evidence than testing with other carriers, and testing in either manner as less persuasive evidence than commercial operation."

8. The following Alabama experiences of DeltaCom with BellSouth have led me to conclude that BellSouth has not met its requirements under §§ 251 and 271 of the Act to provide

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[1] "... individual incumbent LECs' operations support systems may not clearly mirror these definitions. Nevertheless, incumbent LECs must provide nondiscriminatory access to the full range of functions within pre-order, order, provisioning, ... enjoyed by the incumbent LEC."

[2] "We conclude that service made available for resale be at least equal in quality to that provided by the incumbent LEC to itself....Additionally, we conclude that incumbent LEC services are to be provisioned for resale with the same timeliness as they are provisioned to that incumbent LEC's subsidiaries...end users." (FCC 96-325, Docket No. 96-98, VIII, paragraph 129)

nondiscriminatory access to OSS facilities. First the electronic interface known as Local Exchange Navigation System (LENS) is not stable:

June 30, 1997-We could not submit orders via LENS. All orders must be faxed on this day. Received error "Missing Listing Type"

July 3, 1997-We could not access LENS.

July 7, 1997-Again we could not access LENS from 8 a.m. to 12:30 p.m.

July 8, 1997-Again we cannot connect to LENS.

July 9, 1997-We cannot access LENS for thirty minutes.

July 17, 1997-Again cannot submit the order and received error "Missing Listing Type"

July 18, 1997-We entered an order and discovered a mistake. We canceled the order, and then re-entered the order. Called LCSC to verify that the order was indeed "canceled". We discovered that the order had not been canceled. BellSouth had to manually cancel the order.

We have experienced delays because the LENS system has been down. We have also encountered difficulties on pure resale "as is" orders. Our first test customer was for residential service, and our customer did not receive new service for four days because of delays due to "lost Orders" that were faxed as we experienced problems with LENS.

We tracked the time spent from the point of entering the LENS system and obtaining the customer service record ("CSR") and then manually keying that CSR data into the DeltaCom System for the period of July 1, 1997 to July 11, 1997, for an internal company analysis of the LENS system. We discovered that the average time spent retrieving and manually keying in the data averaged **fourteen hours and twenty-eight minutes (14 hrs 28 minutes)**. It should also be noted that the hours counted are business hours only.

Second, faxed copies of the customer service record are illegible and no documentation was provided by BellSouth to assist with its interpretation.

Until July 21, 1997, DeltaCom was unable to print more than the first page of the CSR from LENS due to a design problem. Initially, every CSR DeltaCom obtained was via facsimile.

Third, the free form format of the CSR has led to problems with filling out the order correctly. If an order is incorrect, this results in costly delays for the customer and for DeltaCom as the calculated due date is pushed back. When DeltaCom catches an error and attempts to cancel the order, the order is not canceled on BellSouth's end, and DeltaCom cannot verify that the order is canceled except by contacting the LCSC. In addition, DeltaCom receives no notification that a customer has been converted, but instead must assume that the customer will receive service unless BellSouth informs us otherwise. DeltaCom has no way of knowing if an order has been canceled without calling the LCSC for verification.

DeltaCom cannot add a single feature to an existing customer without faxing the order. For example, if Mr. and Mrs. X, our first residential test customer, wanted to add Call Waiting, DeltaCom cannot add this feature via LENS. DeltaCom has to fax BellSouth the Local Service Request (LSR), the End User form, and the resale services form, to add or delete a feature. A BellSouth customer can immediately add a feature while he is online with a BellSouth representative.

As a new entrant, DeltaCom must be able to offer, at a minimum, comparable service of comparable quality to that offered by BellSouth.

9. LENS does not provide access to BellSouth's pre-ordering information with the same timeliness and the same quality as BellSouth's access for its retail customers, thereby denying ALEC a meaningful opportunity to compete. In our experience, LENS has not provided "real-time" pre-ordering and ordering interfaces.

DeltaCom has experienced problems with LENS "timing out" or "locking up." LENS availability is unpredictable. You may lose access for three (3) hours, or for five (5) minutes on different occasions all day. Prior to the Alabama Public Service hearing, but a month after complaints were made to the LCSC, the trouble report desk, and finally to the account team assigned to DeltaCom, BellSouth indicated that DeltaCom had a connectivity problem. DeltaCom, on its own initiative replaced the T1's on both sides, as DeltaCom has a LAN to LAN connection. Despite BellSouth's representations at the Alabama hearing in August 1997, DeltaCom continued to experience problems with LENS.

After the Alabama hearing, BellSouth did send representatives to examine the LENS set-up in Arab, Alabama. At the time, garbage was appearing in fields of the LENS program, and this evidently was caused by a web browse incompatibility problem. To-date, BellSouth has not offered any other suggestions or aid to DeltaCom in ensuring that the LENS system is operable, despite continued complaints.

BellSouth has asserted in state hearings that DeltaCom has only placed one complaint regarding LENS. This in not true. DeltaCom has called and spoken to many BellSouth representatives at the trouble desk who, on occasion have referred DeltaCom to the LCSC, and sometimes to the account team.

As a pre-ordering interface, if LENS is inaccessible on a routine basis then parity to BellSouth's systems cannot be achieved. As an ordering interface, LENS does not provide the ability to add or delete features, and we believe that orders are not mechanized as evidenced by the problems we experienced converting our lines from BellSouth to DeltaCom.

Recently, in Anniston, Alabama, I changed to DeltaCom for local residential service. When DeltaCom submitted my order via LENS, DeltaCom representatives discovered that I had BellSouth travel cards and, rather than cancel the cards, DeltaCom cancelled the order. BellSouth worked the cancelled order, which had been re-submitted the next day, and this became clear when I received my final bill from BellSouth.

Although BellSouth is not relying on LENS as an ordering interface to satisfy 271 requirements, it should be made clear that BellSouth "sold" LENS to DeltaCom as an ordering and pre-ordering interface with real-time capabilities, including error resolution. If we had known that EDI was the only working order interface, we would have requested EDI earlier.

In fact, we have requested EDI and are very interested in CGI, which is the software that allows the transfer of data from LENS to EDI. We have requested a white paper on CGI but have not received any information as yet.

As for EDI, pursuant to a recent conference call with BellSouth representatives, we understand that DeltaCom would be a Beta test for ordering local services via EDI.

In summary, we do not believe that BellSouth has worked with LENS or EDI long enough to support real competition.

By BellSouth's own admission, there will be a 15 minute time lag with EDI for simple orders, with the time lag for complex orders to be greater.

10. "Electric Bonding" or a "Machine to Machine" interface is necessary in order for an interface to provide non-discriminatory access. Where there is a lack of automation for the ALEC while the incumbent enjoys its own automated processing for its own retail operations, this lack of automation necessarily precludes a meaningful opportunity to compete. The Act would suggest that automation in such situations is required.

Where an ALEC is required to enter an order separately into its own system and then reenter the order into BellSouth's system, this duplicate manual entry on the part of the ALEC is costly and causes delays. This cost is not equally borne by BellSouth as they have direct access to databases and can process orders on line.

Automated access, on the other hand, means that information is directly exchanged between the ALEC and BellSouth computer systems on a real-time basis.

11. Manual interfaces are not adequate to support local competition. Manual intervention causes duplication of processes which in turn causes delays and increases the risks of error. ALECs have to employ more people to handle the process and to audit BellSouth's performance. This also increases BellSouth's costs by requiring more employees to input data.

12. In the absence of industry standards, BellSouth should adopt the least costly interim solution that gives ALECs the same level of access to BellSouth's OSS functions as BellSouth itself enjoys. It is not reasonable for a small ALEC to implement interim solutions that would require them to commit substantial resources of their own to access BellSouth's solution when equally adequate interim solutions can be implemented that are less costly to competitors.

We understand that CGI may be a solution to this problem but we have not received any information, and we do not know whether any other carrier has tested CGI.

13. An ALEC should not be limited to that access provided to the BellSouth representative because the representative may be denied access to some data such as number reservations. These numbers that spell a word are not visible to a representative. An ALEC, however, must have access to the database containing these valued numbers and have access to the database as BellSouth.

14. Due to the difficulties DeltaCom has encountered in the initial provision of resold residential services, DeltaCom is very hesitant to process complex orders affecting large business customers. DeltaCom is entirely dependent on BellSouth to provide timely, quality operational support systems in the resale market. It is DeltaCom's contention that, in BellSouth's rush to enter the long distant market, the customer, residential or business, will be the loser as the necessary flowthrough of OSS information is simply non-existent on a comparable basis at this stage.

LENS is not capable of supporting competition because it requires extensive manual intervention and does not support complex or volume ordering. The LENS system is not reliable and is too cumbersome for DeltaCom to match the level of customer service currently provided by BellSouth. LENS is plagued with design problems.

BellSouth has recently implemented PIC freezes on its CSR's, even when DeltaCom has a written PIC change form and blanket written BellSouth authority to access the CSR database to view the Customer's record. See Attached CSR printout. This is occurring now in Alabama with about 50% of the PIC change customers, and places DeltaCom at a severe competitive disadvantage. The number of customers with this problem has increased significantly. The CSR service data received by DeltaCom is inferior to that with BellSouth's CSR system, with large amounts of data being deleted from the product provided by BellSouth to DeltaCom. This is shown when BellSouth sends to DeltaCom the BellSouth version of a customer's CSR, and DeltaCom compares it with the inferior CSR product it received. A message will appear on the bottom of the CSR indicating that we must contact Bellsouth for further information..

My testimony has demonstrated that BellSouth does not provide nondiscriminatory access to its OSS functions. It is the extent to which these OSS functions are automated that significantly impacts the quality and efficiency of services and element provisioning and thereby provides ALECs a meaningful opportunity to compete. DeltaCom strongly recommends that this Commission should wait until BellSouth has provided an automated interface that is in place, tested, and functioning before determining whether BellSouth has provided access to OSS functions that is sufficient to support local competition.

15. DeltaCom has experienced NXX translation problems in the BellSouth area, since BellSouth is having difficulty translating a call for our NXXs to get them to the access tandem. Many of the implementation due dates were missed.

16. With 911 service, BellSouth, in updating the 911 database, and, unknown to DeltaCom, outsourced this project to a company in Colorado. As a result, for a time, the DeltaCom customers did not go into the BellSouth 911 database, even though BellSouth had previously assumed responsibility for adding them. We have now been told that BellSouth has corrected the problem, but cannot check it for all customers. This 911 problem puts DeltaCom customers at risk.

17. With respect to mutual compensation, BellSouth, on its own and without consulting with DeltaCom or anyone else to my knowledge, decided to reclassify ISP and ESP traffic as non-local, for which BellSouth will not provide compensation. Please see the attached August 12, 1997 letter. This appears to be an anticompetitive attempt to stifle new entrants.

18. Sections 251 and 271 of the Act require BellSouth to provide ALECs with local dialing parity. BellSouth fails this requirement of the Act's checklist. As the BellSouth affidavit of Beth B. Hughes states, DeltaCom

> "could not provide me with area plus, which is an expanded local calling plan that BellSouth offers, I told her that I would have to think about my decision to switch to ITC DeltaCom Communications."

This lack of dialing parity provides an almost insurmountable barrier to local residential competition in South Carolina. As the FCC knows, lack of dialing parity for non-dominant interexchange carriers at Divestiture, who were forced to use Feature Group A and B access with extra dialing digits, was one of the biggest barriers to interLATA competitive entry.

The same barrier has been created by BellSouth to prevent effective local competition, by expanding seven digit dialing local calling plans to supplant eleven digit toll competition. ALECs cannot compete under such conditions, in the absence of seven digit dialing parity, as required by the Act.

Also, BellSouth has recently and unilaterally decided that it owns 1-NPA-555-1212, and will not hand it off to ALECs or small telephone companies. This places competing ALECs at a competitive disadvantage.

19. DeltaCom's main problem with unbundled loops is collocation, in terms of its timing and expense. Physical collocation is critical to becoming facilities-based and providing true local competition.

The BellSouth collocation procedures prevent timely competitive responses to consumer requests. First, it took an extremely long time for DeltaCom to obtain a collocation agreement, with discussions beginning in April 1997, and the agreement not being finalized until October 3, 1997. As DeltaCom tried to get its collocation agreement, the BellSouth negotiating representative, assigning this task a low priority compared to his other projects, provided little or no positive response to DeltaCom's requested changes, updates or revisions, thereby slowing down the negotiation process considerably.

Under the agreement, BellSouth has sixty (60) days to respond to a request for collocation, and, if it agrees, 5-11 months to implement it. The foregoing month time lag is based on DeltaCom's region-wide BellSouth experience. This tremendous lag time also applies to requests to increase DeltaCom capacity at a collocation site. Thus, there cannot be any rapid responses to customer - driven collocation demands.

Also, DeltaCom is required under the agreement to use BellSouth certified equipment installers, with there only being three (3) to our knowledge, and the installation specs are elaborate and unnecessary. DeltaCom has been unable to have its installers certified. This is reminiscent of the old railroad industry, where a fireman was required by the union in each locomotive long after coal was no longer used as fuel.

To the extent that this proceeding will address issues related to the cost of collocation, DeltaCom would respectfully request that the FCC review not only the cost basis for the assessment of fees associated with the construction of collocation space, but also the manner in which collocation space is designed and built. Specifically, BellSouth currently requires that collocation space be constructed with a fully-walled enclosure. This procedure is much more extensive, and more expensive than the procedures used in other jurisdictions. For example, in California, physical collocation is accomplished (with both GTE and Pac Bell) via a wire cage. This cage provides adequate security, and is considerably less expensive to construct. For example, in Georgia BellSouth's total estimated cost to construct collocation space for and ALEC in Buckhead, Dunwoody, and Sandy Springs is $317,221.00. This gives the ALEC the capacity to access only 2,000 lines per central office. We have found that collocation condo construction expenses in the BellSouth region are running about $300.00 per square foot with these for negotiated condo rates, while they were $50.00 per foot when they were tariffed. These collocation expenses are therefore excessive. We believe that BellSouth's adherence to these unnecessary construction requirements adds needless and substantial additional cost to new market entrants, such as DeltaCom.

In systems provisioning, DeltaCom never gets a firm commitment from BellSouth to complete an installation, and the service order time is always three (3) days or longer, be it for a minor or major order.

Another local loop provisioning problem was experienced when we ordered DS1 loops, which cost $140 per month. 60% of the time, BellSouth gave us HDSL loops, which list for $28. However, BellSouth would not adjust the price. We therefore just purchased HDSL loops instead.

20. On billing, instead of getting a BellSouth bill, new DeltaCom customers get monthly win-back letters from BellSouth. See attached. Some have been dated before the DeltaCom customer conversion date.

II.

DELTACOM'S EFFORTS TO SERVE LOCAL EXCHANGE CUSTOMERS AND BUSINESS PLANS TO PROVIDE FACILITIES-BASED SERVICES IN SOUTH CAROLINA

21. DeltaCom obtained an interconnection agreement with BellSouth in South Carolina on March 12, 1997, which was approved by the SCPSC on April 3, 1997. During the Second Quarter of 1997, DeltaCom publicly announced its intention to offer local exchange service throughout its service area, including South Carolina. The DeltaCom Confidential Exhibit ("DCE"), provided as part of this Affidavit, includes information which describes the South Carolina business plans of DeltaCom. It constitutes highly sensitive proprietary information affecting DeltaCom's South Carolina operations. For these reasons, the DCE is being filed under seal with a request for confidential treatment. The DeltaCom Confidential Exhibit ("DCE"), provided as part of this Affidavit, includes information which describes the South Carolina business plans of DeltaCom. It constitutes highly sensitive proprietary information affecting DeltaCom's South Carolina operations. For these reasons, the DCE is being filed under seal with a request for confidential treatment.

22. As demonstrated in the DCE, DeltaCom has been financially committed to provide wire-line residential and business local exchange services throughout the State of South Carolina, and has been engaged in reasonable efforts to do so for some time. In addition, as demonstrated by the DCE, although DeltaCom does not provide residential facilities-based services in South Carolina to date, it intends to do so under its South Carolina business plan, either through the use of a network entirely owned by DeltaCom, should BellSouth continue to fall short of meeting the Act's competitive checklist, or through the partial use of BellSouth facilities, should the checklist terms be met in the foreseeable future. In either event, DeltaCom plans to provide facilities-based residential and business services on a widespread basis in South Carolina in the foreseeable future.

III.

CONCLUSION

23. DeltaCom remains committed to providing facilities-based local exchange services throughout South Carolina, provided that the necessary competitive environment is created. BellSouth appears to be acting like a novice to the Act's competitive checklist, asking the FCC what is the minimum to let it out of the LATA, instead of trying to comply with the competitive provisions of §§ 251 and 271 of the Act in good faith. Therefore, if the FCC prematurely allows BellSouth to provide interLATA services, the OCC access, which is improving daily due to BellSouth's desire to present its best face to the FCC, will improve no further, preventing effective local entry.

Based in my experience, it will take 18 - 24 months for BellSouth to comply with the FCC's competitive checklist. Thereafter, the FCC should take another look at a BellSouth §271 interLATA application for South Carolina. Until then, however, the FCC's examination thereof is premature, due to BellSouth's failure to meet the competitive checklist.

In summary, BellSouth is far from meeting the competitive checklist requirements and, when things then go wrong, the DeltaCom customer blames us and not BellSouth, severely impacting our ability to compete. It's like having one bad meal at a new restaurant. As a potential customer, would you go back?

For these reasons, the FCC need not worry whether BellSouth is following Track A or Track B under §271 to gain interLATA authority.

However, if the FCC wishes to examine Tracks A and B, it is clear from the BellSouth Affidavit of Mr. Gary M. Wright that Track A is unavailable, due to the lack of present facilities-based residential and business competition. And, the attached DCE indicates that Track B is equally unavailable, because DeltaCom intends, in good faith, to provide facilities-based residential and business local exchange services in South Carolina and has obtained an interconnection agreement with BellSouth in its efforts to do so.

24. The information contained in this affidavit and in the attached Exhibits is true and correct to the best of my knowledge and belief.

Steven D. Moses

Steven D. Moses
Senior Vice President
Of Network Services
ITC DeltaCom, Inc.

Subscribed and sworn to before me this 17th
day of October, 1997.

Tammie J. Furman

NOTARY PUBLIC

ALABAMA AT LARGE
My commission expires:

May 31, 1999

BELLSOUTH
LOCAL EXCHANGE NAVIGATION SYSTEM

Inquiry Only

ACCESS RESTRICTED AT CUSTOMER REQUEST - CONTACT LOCAL CARRIER SERVICE CENTER

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BELLSOUTH

BELLSOUTH
LOCAL EXCHANGE NAVIGATION SYSTEM

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ACCESS RESTRICTED AT CUSTOMER REQUEST - CONTACT LOCAL CARRIER SERVICE CENTER

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BELLSOUTH

BELLSOUTH
LOCAL EXCHANGE NAVIGATION SYSTEM

Inquiry Only

BELLSOUTH IS NOT AUTHORIZED TO PROVIDE INFORMATION FOR THIS ACCOUNT

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Inquiry Only

BELLSOUTH

BELLSOUTH

BellSouth Telecommunications, Inc.

September 18, 1997

Milton Mantler
608 Chateau Dr SW Apt C
Huntsville, AL 35801-3488

Dear Customer,

We recently received your request to switch your local phone service to another carrier. Because we value you as a customer, we're disappointed that you have selected another provider. However, your service has been transferred as per your request, and your final bill should reflect this change.

If you are unaware that we received a request to switch your service, please notify us of the problem so that we can correct it. You can call us at 1-800-733-3285, 24 hours a day, 7 days a week.

We thank you for your business and hope to have the opportunity to meet your communications needs again in the future.

Sincerely,

Jim Becker
Vice President and General Manager
Consumer Services – Alabama

BELLSOUTH

BellSouth Telecommunications, Inc.
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Ernest L. Bush
Assistant Vice President -
Regulatory Policy & Planning

SN91081223

August 12, 1997

To: All Competitive Local Exchange Carriers

Subject: Enhanced Service Providers (ESPs) Traffic

The purpose of this letter is to call to your attention that our interconnection agreement applies only to local traffic. Although enhanced service providers (ESPs) have been exempted from paying interstate access charges, the traffic to and from ESPs remains jurisdictionally interstate. As a result, BellSouth will neither pay, nor bill, local interconnection charges for traffic terminated to an ESP. Every reasonable effort will be made to insure that ESP traffic does not appear on our bills and such traffic should not appear on your bills to us. We will work with you on a going forward basis to improve the accuracy of our reciprocal billing processes. The ESP category includes a variety of service providers such as information service providers (ISPs) and internet service providers, among others.

On December 24, 1996, the Federal Communications Commission (FCC) released a Notice of Proposed Rule Making (NPRM) on interstate access charge reform and a Notice of Inquiry (NOI) on the treatment of interstate information service providers and the Internet, Docket Nos. 96-262 and 96-263. Among other matters, the NPRM and NOI addressed the information service provider's exemption from paying access charges and the usage of the public switched network by information service providers and internet access providers.

Traffic originated by and terminated to information service providers and internet access providers enjoys a unique status, especially call termination. Information service providers and internet access providers have historically been subject to an access charge exemption by the FCC which permits the use of basic local exchange telecommunications services as a substitute for switched access service. The FCC will address this exemption in the above-captioned proceedings. Until any such reform affecting information service providers and internet access providers is accomplished, traffic originated to and terminated by information service providers and internet access providers is exempt from access charges. This fact, however, does not make this interstate traffic "local", or subject it to reciprocal compensation agreements.

Please contact your Account Manager or Marc Cathey (205-977-3311) should you wish to discuss this issue further. For a name or address change to the distribution of this letter, contact Ethylyn Pugh at 205-977-1124.

Sincerely,

E. L. Bush

CONFIDENTIAL EXHIBIT
TO THE AFFIDAVIT OF MR. STEVEN D. MOSES

HIGHLY SENSITIVE
CONFIDENTIAL: FILED UNDER SEAL
PURSUANT TO PROTECTIVE ORDER

<u>CERTIFICATE OF SERVICE</u>

I hereby certify that the foregoing Comments of the Association for Local Telecommunications Services was served October 20, 1997, on the following persons by first-class mail or hand service, as indicted.

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